

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Memorandum

Room 029 State Capitol, Denver, CO 80203-1784 Phone: (303) 866-3521 • Fax: (303) 866-3855 lcs.ga@state.co.us • leg.colorado.gov/lcs

January 17, 2023

TO: Interested Persons

FROM: Elizabeth Ramey, Principal Economist, (303) 866-3522

SUBJECT: Demographic Notes Overview

Summary

Pursuant to House Bill 19-1184, Legislative Council Staff will prepare demographic notes for up to 20 bills each session. This memorandum provides an overview of the demographic note process, including the process for requesting a demographic note, the content of a demographic note, and methodological considerations.

What is a Demographic Note?

A demographic note uses available data to outline the potential effects of proposed legislation on existing disparities within the state. Disparities are defined in state law as the difference in economic, employment, health, education, or public safety outcomes between the state population as a whole and subgroups of the population, as defined by socioeconomic status, race, ethnicity, sex, gender identity, sexual orientation, disability, geography, or any other relevant characteristic for which data are available.

Demographic Note Process

The President of the Senate, Speaker of the House of Representatives, Senate Minority Leader, and House Minority Leader may each request demographic notes for up to five bills during each regular legislative session. Legislative Council Staff will prepare a demographic note, based on the most recent official version of the bill or the most recent unofficial preamended version of the bill that is available when the note is requested, usually within 14 calendar days. If a demographic note is completed while a bill is in the first chamber, the note may be revised in the second chamber if substantive amendments are made.¹

¹Additional details about the process can be found in the January 17, 2023, letter from Legislative Council Staff to the Executive Committee of the Legislative Council, available at:

Content of a Demographic Note

A demographic note identifies and describes the impacts that a proposed measure may have on existing disparities in the state. Each note includes a summary of impacts on the first page. The body of the note includes background information, data, and analysis that support the findings. Each section of the demographic note is described briefly below.

A summary table on the first page of the demographic note includes the following:

- **Demographics analyzed.** For each note, the specific demographic groups analyzed are listed. These subgroups of the state population are defined in state law as: socioeconomic status, race, ethnicity, sex, gender identity, sexual orientation, disability, geography, or any other relevant characteristic for which data are available. Some demographic groups may not be analyzed due to data limitations. The terminology used to distinguish demographic groups (e.g., black/African American, Hispanic, or Latina/Latino) is based on the terminology used in the data sources referenced. Notably, these terms may differ from the self-identification of these populations.
- **Bill impact.** Check boxes will indicate the area(s) of disparity that the bill is expected to impact. These areas, which are identified by state statute, include economic, employment, health, education, and/or public safety. The bill impact briefly summarizes whether the bill is expected to increase or decrease existing disparities, the area(s) of disparity, and for which demographic subgroups. When appropriate, the note may identify when the expected impact is minimal or indeterminate.
- **Report status.** The report status identifies the version of the bill analyzed.

The following sections are included in the body of the demographic note:

- Demographic impact summary. The key findings of the demographic note are highlighted in this
 section, including which demographic groups are likely to be impacted and how the bill might
 impact existing disparities in the state. This summary is an elaboration of the more concise bill
 impact statement in the summary table on the first page of the demographic note.
- **Key provisions impacting demographic disparities.** For each measure analyzed, the key provisions of the bill that may impact demographic disparities are identified and summarized. The key provisions discussed are not a comprehensive summary of the bill, but rather focus only on the provisions with potential demographic impacts.
- Background. Depending on the complexity of the bill, a background section may elaborate further
 on existing disparities, relevant research, similar legislation in other jurisdictions, and/or
 legislative or other relevant context.²

²It is beyond the scope of the analysis to examine each of the varied causes contributing to a given disparity. Causes of disparities may include individual behavior and structural factors that distribute opportunities unevenly to individuals on the basis of their membership in a particular demographic group. These and other factors may interact over time, complicating the ability to identify each of the unique causal factors of a given disparity.

- **Demographic comparisons.** In this section, available data are presented and compare one or more populations affected by a bill to a statewide population in order to identify the extent to which a bill might impact disparities across groups within the state of Colorado.
- Analysis and findings. Based on the demographic comparisons presented in the previous section,
 as well as the relevant data and information available documenting existing disparities and/or
 experiences of other, similar policies, the analysis and findings section provides an analysis of the
 potential impacts of a bill on existing disparities.
- **Demographics not analyzed.** This section specifies the demographic groups not analyzed and discusses the relevant data and other limitations.
- **Data sources and agencies contacted.** This section of the demographic note lists departments and agencies contacted, as well as data sources used in the analysis.
- Appendices. Additional information about the statewide and affected populations, as well as the
 data underlying the analysis, may be included in one or more appendices at the end of the
 demographic note.

Methodological Considerations

The following section outlines some considerations regarding the methodology of the demographic note analyses.

Data sources consulted. Demographic notes are informed by a variety of sources in order to incorporate a balance of data types and informed perspectives and to ensure sound research methods and substantiated conclusions. The information used in the analysis may include qualitative and quantitative data and other information, as well as primary (e.g., first-hand accounts) and secondary sources (e.g., analysis, synthesis, or evaluation of primary sources). Sources will be vetted using standards for sound research, including credibility, reliability, and objectivity.

Public input. Interested parties may submit input relevant to a demographic note that is being prepared or revised. This input may be used to inform an initial demographic note or subsequent revisions to the extent that it lends to an improved nonpartisan and unbiased analysis. Please note that comments submitted may be considered an open public record. Input may be submitted to: DemographicNotes.ga@coleg.gov.³

Dynamic impacts. Demographic notes do not incorporate dynamic modeling and are limited to addressing the static impact of a bill on existing disparities or, in some cases, the impact of a bill on a person's behavior which, in turn, impacts disparities. In some cases, a bill may result in dynamic economic impacts, which my offset the static impacts identified in the demographic note for some populations or may exacerbate the impacts identified. A bill's dynamic impacts include its

³To receive notifications indicating that an analysis is being prepared or has been published, please visit: https://state.us20.list-manage.com/subscribe?u=cdfe1a91fbddfb4e377564335&id=4029551e05.

downstream effects throughout the economy and can take several years to fully materialize. These impacts are outside the scope of the demographic note analysis.⁴

Disparities in context. It is important to note that a given disparity has multiple and interacting causes, including not only individual behavior and choices, but also historical and structural factors that can shape or constrain individual choices and distribute economic and other opportunities unevenly to individuals on the basis of their membership in particular demographic groups. Putting disparities in context is important for two reasons. First, it is relevant for identifying the potential extent of a bill's impact on disparities. That is, a particular bill may have an impact on disparities, but that impact may be limited because the bill is unlikely to address the other factors contributing to those disparities. Second, research suggests that in the absence of context (and often even with appropriate contextualization), disparity data may reinforce rather than challenge negative stereotypes and implicit bias against groups that suffer from disparities.⁵ When feasible and appropriate, a demographic note may include additional contextual information about a disparity if it contributes to a greater understanding of the demographic impact of a bill.

Budgetary tradeoffs. When a bill requires the reallocation of finite government resources, the demographic note will recognize, where possible, the relevant tradeoffs that might be involved for the affected populations and existing disparities. For example, if a bill results in a reduction in tax revenue through a tax expenditure that is expected to reduce socioeconomic disparities, this may entail a tradeoff if that revenue may have been spent in other ways that would affect income or other disparities.

Glossary of Frequently Used Terms

Disparity. Disparity is defined in state law as the difference in economic, employment, health, education, or public safety outcomes between the state population as a whole and subgroups of the population. These subgroups are referred to as demographic groups.

Demographic group. A demographic group is a subgroup of the population, as defined by socioeconomic status, race, ethnicity, sex, gender identity, sexual orientation, disability, geography, or any other relevant characteristic for which data are available. When appropriate data are available, demographic groups are compared across statewide and affected populations.

Statewide population. A statewide population is the relevant population used to establish the demographic criteria against which the affected population is compared.

Affected population. An affected population is the group of people most likely to be directly impacted by a proposed measure. The affected population is generally distinguished from the statewide population by the key characteristic(s) associated with the proposed measure.

⁴ Additional information about the Legislative Council Staff policy on dynamic modeling can be found at: https://leg.colorado.gov/sites/default/files/r19-1334_dynamic_modeling.pdf

⁵See, for example, john a. powell, "Deepening Our Understanding of Structural Marginalization" available at: https://haasinstitute.berkeley.edu/sites/default/files/Sept-Oct%202013%20PRRAC%20Disparities%20Article.pdf